

Draft

**MINUTES OF MEETING
OF THE BOARD OF DIRECTORS OF
RHODE ISLAND HOUSING DEVELOPMENT CORPORATION**

A meeting of the Board of Directors of the Rhode Island Housing Development Corporation was held on Thursday, June 19, 2014 at 9:00 AM at the Offices of the Corporation, 44 Washington Street, Providence, RI, 02903.

Commissioners in attendance were: Chairman Andrew L. Cortés; Paul McGreevy, Director of Department of Business Regulation; Andrew Ross designee for General Treasurer Gina Raimondo; Steven Costantino, designee for Richard Licht, Director of Administration; Jim DeRentis and Stephen P. McAllister. Commissioner Monteiro was absent.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Gayle Corrigan, Deputy Director; Kara Lachapelle, Director of Finance; Carlos Hernandez, Director of Resident Services; Carol Ventura, Director of Development; Leslie McKnight, Director of Servicing; Peter Walsh, Director of Homeownership and Customer Service and Michael Milito, Deputy Assistant Director.

Steven Richard, Counsel to the Corporation was also present, as were members of the public.

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Board of Commissioners was posted in the Offices of the Corporation and at the first floor bulletin board in the State House.

Chairman Cortés called the meeting to order at approximately 10:00 a.m.

Approval of Minutes of the Rhode Island Housing Development Corporation Meeting Held December 6, 2012

Upon unanimous consent by the Board, the following was approved:

VOTED: That the Minutes of the Rhode Island Housing Development Corporation Meeting held on December 6, 2012 be and hereby are approved.

Approval to Accept Deed in Lieu of Foreclosure for Project Renew from Progress Residential, LP

Mr. Godfrey presented this request.

In June 2013, the Rhode Island Housing Board of Commissions approved a Request for Action to accept a deed in lieu of foreclosure from Progress Residential, LP, the owner of Project Renew (the “Development”). The Development is located in Lincoln and provides housing to low income families and individuals. This Request for Action is for the Rhode Island Housing Development Corporation (“RIHDC”) to take title to the Development.

Project Renew was developed in 1995 with Housing Tax Credits, a Rhode Island Housing 1st mortgage, Deferred Payment Loan, HOME Program funding and Thresholds funds. The initial tax credit compliance period expired in 2010. The 34 one, two and three bedroom apartments are located in 5 buildings in the Manville section of Lincoln. Since 2007, the Development has experienced operating challenges.

Despite best efforts to overcome the operating deficits at the Development, including forbearance of principal and interest payments, Rhode Island Housing has not been able to stabilize the Development. Over the past year, Rhode Island Housing staff has developed a plan to sell the Development and use the proceeds to partially satisfy the outstanding debt on the property. In accordance with the underlying property restriction related to the Land Use Regulatory Agreement, existing residents will be provided rent protection for a three year period following sale. While Rhode Island Housing expects that it will need to extinguish some of its existing debt on the properties, it has previously established reserves for these losses.

Prior to the transfer to the RIHDC, the existing limited partner, National Equity Fund will transfer its interest (the "Limited Partner Transfer") to the current general partner. After the Limited Partner Transfer, the Rhode Island Housing Development Corporation or an affiliated entity will take title to the Development. The RIHDC will own and oversee the management of the property until it is sold.

Upon a motion made by Commissioner DeRentis and seconded by Commissioner McAllister the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
of the Rhode Island Housing Development Corporation**

- Whereas,** Progress Residential Limited Partnership, (the "Partnership") is the owner of the property located in Lincoln, Rhode Island known as Project Renew, (the "Development"); and
- Whereas,** Rhode Island Housing and Mortgage Finance Corporation, a corporation, instrumentality and agency of the State of Rhode Island ("Rhode Island Housing"), made certain loans to the Partnership, (the "Loans") which Loans were secured by mortgage and security interests in the Partnership's real and personal property for the Development; and
- Whereas,** Despite various attempts to achieve stability, the Development continues to operate at a significant deficit, is unable to address major capital needs and has been unable to make payments to Rhode Island Housing even after Rhode Island Housing offered forbearance options; and
- Whereas,** The Partnership wishes to assign its interest in the Development through a deed in lieu of foreclosure to the Rhode Island Housing Development Corporation, a Rhode Island corporation ("RIHDC"); and
- Whereas,** Both the general partner and limited partner of the Partnership have agreed to the deed in lieu of foreclosure in favor of RIHDC or its designee.

Now, therefore, be it:

Resolved, that the Rhode Island Housing Development Corporation, or a wholly-owned subsidiary (subject to the approval of the Board of Directors of RIHDC, as applicable), be, and hereby is, designated to accept a deed in lieu of foreclosure from the Partnership.

Resolved, That the President, Treasurer, the Chairman of the Board, the Chief Executive Officer or any Vice President of the Corporation (each an "Executive Officer") be authorized, empowered and directed to take any action to execute, file and deliver any contract, agreement or other instrument in his or her sole discretion shall deem necessary or advisable in connection with the acceptance of deed in lieu of foreclosure from the Partnership; and it is further

Resolved, That the Executive Officers, each acting singly, are hereby authorized, empowered and directed to take such actions as he or she deems necessary, in his or her sole judgment, to carry out the foregoing resolutions.

There being no further business, a motion to adjourn the meeting at 10:04 a.m. was made by Commissioner DeRentis and seconded by Commissioner McAllister.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director